

## Message Text

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ACTION EB-08

INFO OCT-01 ARA-10 EUR-12 ISO-00 AGR-01 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15  
STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01  
DOE-15 EA-10 IO-13 AF-10 NEA-10 /167 W  
-----019462 142033Z /46

P R 141711Z APR 78  
FM USINT HAVANA  
TO SECSTATE WASHDC PRIORITY 1623  
INFO AMEMBASSY BRASILIA  
AMEMBASSY CANCEIRA  
AMEMBASSY LONDON

C O N F I D E N T I A L HAVANA 0957

EO 11652: GDS  
TAGS: ETRD EAGR EPAP CU  
SUBJ: UPCOMING SUGAR COUNCIL MEETING

1. BEGIN SUMMARY: USINT OFFICER, APRIL 13, DISCUSSED OUTSTANDING INTERNATIONAL SUGAR ISSUES WITH ALBERTO BETANCOURT ROA, DIRECTOR OF INTERNATIONAL ORGANIZATION AFFAIRS, MINISTRY OF FOREIGN TRADE. BETANCOURT MADE SEEMING PITCH FOR US SUPPORT OF CUBAN CANDIDATE FOR INTERNATIONAL SUGAR AGREEMENT (ISA) STOCK FINANCING FUND MANAGER IN EXCHANGE FOR POSSIBLE CUBAN SUPPORT FOR PURPORTED US CANDIDATE FOR ISO EXECUTIVE DIRECTOR. END SUMMMARY.

2. BETANCOURT SAID THAT CUBANS HAD RECEIVED CABLE FROM LONDON INDICATING THAT USG HAD PUT FORWARD CANDIDACY OF WILLIAM MILLER, US ECONOMIC MINISTER IN LONDON, TO SUCCEED ERNEST JONES-PARRY AS EXECUTIVE DIRECTOR OF ISO. BETANCOURT CHIDED US FOR NOT HAVING CONSULTED FORMALLY WITH GOVERNMENT OF "WORLD'S LARGEST SUGAR EXPORTER" - CUBA - BEFORE PUTTING FORWARD CANDIDACY. USINT OFFICER RESPONDED THAT WE HAD NOT BEEN APPRISED OF ALLEGED MILLER CANDIDACY.

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3. BETANCOURT SAID THAT, WHILE CUBANS HAD NOT YET RECEIVED CURRICULUM VITAE OF MILLER, THEY ARE OF TWO MINDS REGARDING US CANDIDACY. ON ONE HAND, A US EXECUTIVE DIRECTOR WOULD SERVE AS TESTIMONY OF US COMMITMENT TO SUPPORT ISA - A COMMITMENT WHICH CUBANS CONSIDER TO BE OF FUNDAMENTAL IMPORTANCE. ON OTHER HAND, UNTIL US HAS DEFINITELY DEFINED

ITS POSTURE ON ISA THROUGH RATIFICATION AND PASSAGE OF IMPLEMENTING LEGISLATION, A US EXECUTIVE DIRECTOR WOULD BE AN INAPPROPRIATE SYMBOL.

4. BETANCOURT SPECIFIED THAT CUBA WOULD NOT PUT FORWARD A CANDIDATE FOR ISO EXECUTIVE DIRECTOR. AUSTRALIANS HAVE TOLD CUBANS THAT CANBERRA WILL ALSO NOT PUT FORWARD A CANDIDATE. BETANCOURT SAID THAT IT WAS ALSO DOUBTFUL THAT BRAZIL WOULD PUT ANYONE FORWARD. BETANCOURT SAID THAT ONLY OTHER CREDIBLE CANDIDATE NOW, BESIDES MILLER, IS MR. FLETCHER OF SWAZILAND WHOM CUBANS AND AUSTRALIANS HAVE ALREADY REJECTED. BETANCOURT SAID THAT, AT MAY SUGAR COUNCIL MEETING, IF IT APPEARS THAT NO WIDELY-ACCEPTABLE CANDIDATE IS AVAILABLE, DECISION ON NEW EXECUTIVE DIRECTOR WOULD BE POSTPONED UNTIL SEPTEMBER-OCTOBER SUGAR COUNCIL MEETING. JOSE-PARRY HAS INDICATED THAT HE WOULD STAY ON UNTIL THEN, BETANCOURT SAID.

5. BETANCOURT THEN PROCEEDED TO ADVOCATE CANDIDACY OF CUBAN JOSE BREUIL GALIGARCIA (LONDON 2914) AS MANAGER OF ISA STOCK FINANCING FUND. BREUIL, BETANCOURT SAID, HAS THIRTY YEARS OF BANKING EXPERIENCE, SPEAKS ENGLISH, AND HAS PARTICIPATED IN MANY LARGE-SCALE FINANCIAL TRANS-ACTIONS. OTHER GOVERNMENT CANDIDATES (FROM JAMAICA AND INDIA), BETANCOURT SAID, HAVE HAD PRIMARILY ADMINISTRATIVE, AND NOT FINANCIAL, EXPERIENCE. JONES-PARRY HAS ALSO RECENTLY SAID THAT BREUIL IS BEST QUALIFIED AND BRAZIL

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AND AUSTRALIA APPEAR TO BE TAKING NEUTRAL ATTITUDE. BETANCOURT, AFTER REHETORICALLY MUSING ON WHAT US ATTITUDE TOWARD BREUIL MIGHT BE, THAN ADDED THAT "CORRIDOR CONVERSATION" IN LONDON HAD RECENTLY FOCUSED ON VIRTUES OF HAVING US EXECUTIVE DIRECTOR OF ISO WHO WOULD WORK ALONG WITH CUBAN STOCK FINANCING MANAGER. THIS WOULD ALLOW CONSTANT CONTACT IN THIS IMPORTANT SPHERE. COMMENT: BETANCOURT APPEARED TO BE MAKING NOT SO SUBTLE PITCH FOR US SUPPORT OF BREUIL IN EXCHANGE FOR CUBAN SUPPORT OF MILLER. WHEN USINT OFFICER, RESPONDING TO GENERAL POINT ON DESIRABILITY OF CUBAN INTERNATIONAL OFFICIALS, POINTED TO SHARP WORDS OF CUBAN SECRETARY-GENERAL OF GEPLACEA JORGE BRIOSO AGAINST US SUGAR POLICY AT RECENT SELA MEETING, BETANCOURT HASTENED TO POINT OUT THAT BRIOSO WAS ONLY ECHOING GENERAL LATIN AMERICAN POSITION, NOT SPECIFICALLY CUBAN LINE.)

6. ON OTHER ISA ISSUES, BETANCOURT SAID THAT CUBANS HAD INFORMED ISO THAT, AS OF END OF FEBRUARY, HAVANA HAD STORED THE 175-180 THOUSAND METRIC TONS OF SUGAR STOCKS IT IS REQUIRED TO ACCUMULATE THIS YEAR. THIS EARLY ACCUMULATION WAS MOTIVATED BY JONES-PARRY'S NOTIFICATION THAT FIRST SEMESTER STOCKS CAN BE RETROSPECTIVELY FINANCED

AT END OF YEAR OUT OF PLANNED EXCESS COLLECTION OF ISO STOCK-FINANCING FUNDS. BETANCOURT ALSO INDICATED THAT CUBANS HAVE INFORMED ISO, SUBJECT TO MAY SUGAR COUNCIL APPROVAL, THAT IT HAS CHOSEN INSPECTA, A CZECH ENTERPRISE, TO PERFORM VERIFICATION OF ITS STOCKS (FIRST VERIFICATION SCHEDULED FOR OCTOBER). BETANCOURT POINTED OUT THAT CUBAN RIGHT TO CHOOSE ITS OWN VERIFYING ORGANIZATION HAD BEEN AGREED BETWEEN CUBAN AND USDELS DURING 1977 ISA TALKS.

7. ACTION REQUESTED AND COMMENT: WE WOULD APPRECIATE INFORMATION ON MILLER CANDIDACY AND DEPARTMENT INSTRUCTIONS ON HANDLING MATTER WITH CUBANS. IF CANDIDACY IS INDEED GENUINE, AND OTHER EXPORTERS ARE ACTUALLY TAKING A NEUTRAL LINE ON BREUIL, IT STRIKES US THAT VOTE TRADE-OFF AS CONFIDENTIAL

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POSSIBLY SUGGESTED BY BETANCOURT MIGHT MERIT CONSIDERATION. SUCH A TRADE-OFF, IF REALIZABLE, MIGHT HELP BREAK GEPLACEA UNITED FRONT AGAINST U.S. BY SUGGESTING THAT U.S. AND CUBA HAVE MADE SEPARATE DEAL.  
LANE

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## Message Attributes

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Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014